

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN**

March 6, 2006

6:00 PM

Mayor Guinta called the meeting to order.

Mayor Guinta calls for the Pledge of Allegiance, this function being led by Alderman Garrity.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, O’Neil,
Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest

Mayor Guinta advised that the purpose of the special meeting is to present the following two Development Strategies:

- Global Economic Development Strategy
Introduction: Paul Borek, Economic Development Director
Presentation: Angelos Angelou, President, AngelouEconomics
- Downtown Strategic Development Plan
Introduction: Robert MacKenzie, Director of Planning and
Community Development
Presentation: Anish Kumar, Director of Urban Design,
Hillier Architecture

Mayor Guinta stated first of all welcome everybody. We have two presentations this evening from AngelouEconomics and Hillier Architecture regarding the two economic development studies on behalf of the City. Because we have a lot of information before us what I would like to do is start the Angelou presentation first and at 7:30 I am going to ask that the Clerk remind us that we have to get to the next presentation. What we are looking for hopefully is ½ presentation with about an hour of questions. If we are in the middle of questions, in the interest of time what we will do is start at that point the second presentation by Hillier. I certainly do want to welcome members of both firms. I have had an opportunity to look at the studies and I have been briefed on both and I think they are very detailed studies and they certainly will provide a blueprint as to how the City of Manchester can move forward relative to economic development and how we can continue to enhance and redefine the City of Manchester. With that I will hand it over to Paul Borek who will do some introductory remarks and we will get on with the presentation.

Paul Borek, Economic Development Director, stated it is my pleasure tonight to introduce Angelos Angelou, the President of AngelouEconomics. AngelouEconomics is now one of

the largest economic development consulting firms in the nation. They have conducted strategic plans and economic analysis for cities throughout the U.S. and the world – over 100 cities. So AngelouEconomics and his firm bring to us some of the best practices from throughout the world and the U.S. in the field of economic development. In conducting this global economic development strategy for the City of Manchester, AngelouEconomics hosted a website called ManchesterTomorrow.com in which they solicited input from 600 members of the community including citizens, businessmen, leaders and elected officials. They also conducted several focus groups and held small group meetings with business leaders and citizens. Their reports consist of a three-volume set. Volume I is a community assessment, in which they did the strengths, weaknesses, opportunities and threats analysis. The second report is a targeted industry analysis in which they analyzed industries that Manchester should focus on in the future in its marketing program because of its attributes. Finally, report three consists of a broad base of recommendations to enhance our environment and seize the opportunity to grow our economy. These reports are available online on the City of Manchester website – ManchesterNH.gov for viewing by the public. We are interested in any comments and I just wanted to mention that as well that we are looking for comments via e-mail or mail by March 21, two weeks from tonight, from the general public. Without further adieu, Angelos Angelou.

Angelos Angelou, President of AngelouEconomics, stated thank you Paul for that introduction. Honorable Mayor and Aldermen and ladies and gentlemen, it is my pleasure being in your wonderful community and I want to thank you first of all for giving us the opportunity to work with you on this very important project. We take our work very seriously. Before I start with my formal comments I would say that economic development is not really about rocket science. It is about common sense and execution. There are no secrets to this business. It is all about setting a vision and having the leaders of your community implement that vision. It is all about how expanded that vision is and that is really the only limitation. This is a business in which there must be a whole lot of positiveness and can do attitude as opposed to finding ways of not wanting to do certain things. Having said that I find that it is also appropriate to talk about our philosophy as a company. That will give you perhaps a better idea of where we have been coming from in doing this project for you. First we believe that economic development is not about real estate. It has nothing to do with real estate development. It is all about marketing and public relations. Obviously a lot of communities around the globe spend a lot of money on economic development so that they can have other people have a positive perception of their City or region. So we are really in the marketing and PR business. Moreover, in the simplest definition economic development is nothing more than leveraging the public assets, which the taxpayers have helped to build in your community, as well as leveraging the private sector assets that are already in your community to attract additional private sector investment. In its more complex definition, I would like to say that economic development is really finding the citizens among the residents in your community and let me explain what

I mean by that. A resident is someone who pays their taxes and is quite happy living in your community. They are quite happy enjoying the amenities that their tax dollars have helped to build over time. A citizen on the other hand is an individual who takes a keen interest in economic development and participates with time as well as additional financial resources to leave a better community behind for future generations. In many ways, economic development strategies and economic development projects such as the one that we have embarked on for you is really a search for the citizens in your community, not the residents in your community. In the next 40 minutes or so I will give you an overview of the project and the process that we have followed. I think Paul mentioned some of this and I will cover it very briefly. We will talk about the assessment and the targets and our recommendations and our suggestions as to what are the next steps for you to take. First of all, this has been nearly a year long process. We have talked to over 30 individuals in one-to-one meetings, had over 12 focus groups and over 600 participants have taken the online survey equally divided among businesses, individuals and young professionals and we have gotten some solid input that we want to make sure solidly backs some of our recommendations and suggestions. We do believe that study is a necessary part of every planning process so that we know that our recommendations are basically in line with what the community desires and that is the general community. Moreover we feel that the business of economic development is not just the economic development organization itself but it is everybody's business. Every citizen has a role to play in the field of economic development and we believe so much so in this process that all of our work, not just for your community but any other strategic plan we have done for over 100 communities throughout the world, are reports that you can find and download to this day online. You can be sure that we don't take one plan and make it to fit every community. Every community is unique and that in itself, I think, is a satisfaction that we desire knowing that the public has seen our work throughout the stages of this project. Phase II of this project involved the economic analysis and the SWOT analysis really looking at your strengths, weaknesses, opportunities and threats, and culminated with delivering to you our community assessment report. Phase III is the phase in which we have looked at your targeted industries and recommended specific industries for you to target in the future and I will be talking about those in a minute, as well as we have given you draft recommendations in the form of a Powerpoint presentation. You all have in your hands, I believe, the final recommendations since last week and we are now at the last phase, which is really the public roll out and that is what we are doing today. The key objective of this project in our view was to assess your current situation, review your strengths and weaknesses and discover some of the future opportunities for you in this plan. First let me begin by saying that our assessment of your local market is as follows. Your greatest asset in this community is really your downtown and your airport, as well as the diversified economy that you have today, which is back on its track and growing again. K-12 is improving but there are some deficiencies that have to be addressed. I could say that about 99% of all the communities that we do this work, both in the U.S. and globally, because economic development today is not a localized phenomenon. It is not even a state phenomenon. It is really a global business and the competition for labor is global.

Therefore, the competition for education is global. No matter how one may be performing in education, one ought not to be resting on their laurels because again our view is that the competition is global and every school district needs to strive to become world-class. Comparisons with state statistics or national statistics just don't cut it because the U.S. educational system is not necessarily the best in the world. It is not the worst in the world either. We have also found the strength in your region being the cost of living and the presence of young professionals unlike many other locations where we have done this work where there is an exodus of young professionals from their communities. In your case, while you may not be classified as the ideal technology city, you have a larger portion of young professionals and we categorize this as the age group or the demographic group of 25-44 years old. You have more than the national average in that demographic in your community. Ideally we would like it to be higher. Manufacturing and distribution will no longer provide the high jobs that you seek. We have seen great progress in your community of kind of shedding that image of manufacturing, which is good, but that image in a way has to be said all together because the opportunities for your economy in the future are not necessarily based in manufacturing. They are really found in the services economy. Our information basically tells us that the U.S. workforce employed by manufacturing companies is down to about 12% of the workforce and is going to get down to single digits in the next 15 to 20 years. So the opportunities are not really trying to grow your economy with only the 10% or less of the economy in the future but with the 90% of the economy that may actually be growing. Lastly, you have a significant limitation in terms of sites and infrastructure available to accommodate growth. If today you were presented with a user of 200,000 square feet or more, simply there is not a place in your community where you could place that employer. I urge you to protect some of the limited sites that you have available so that you can expand your economic development capacity in the future. The assessment from a regional perspective...I would suspect from an economic development marketing point of view Boston will be the market that you would want to align yourself with and, in fact, I propose that this region is marketed as an extension of the Greater Boston Metropolitan area. I know that this may be sensitive for Manchester to do but that is really the reality. Your business is primarily I think going to be in the future dependent on what happens in the entire Boston metro area. Number two, obviously the southern part of your state is growing and is very dynamic. The strength that you also enjoy is that you are considered to be a very business friendly state and in many ways considered to have untapped business resources. There is relative affordability in the community but by no means is Manchester cheap. I am not suggesting that anyone aspires to be cheap. The goals here for economic development are to make sure that all strata of society are elevated to higher wage jobs and higher value added economic development. Diversification I think is a critical component or will be a critical component of your economic development efforts on an ongoing basis. Now from a community perspective your downtown is exceptional and we have done this kind of work for over 100 communities around the globe and I will say without any hesitation, and this is not something that I say to everyone that I give a presentation to, truly you have a unique downtown for the size City that you are. For those of you who know that, that is fine. For

those of you who do not know that, market it. Tell your story. Have people come and see your downtown and how exciting it is. From the survey, all respondents have pretty much had one common desire and that is the need for higher wage jobs. Higher wage jobs on the other hand cannot be imposed. They have to align themselves with higher value economic development. You cannot dictate or legislate higher wages. This is a market drive economy and, therefore, the focus ought to be to attract the kind of economic development that allows you to have higher wages. Your economy is fairly well diversified and I would say that you have certain significant assets in technology and semi conductors and electronics through aerospace. These numbers for those of you who can see them and I cannot see them myself...is it out of focus or is it my eyesight. In any case, a number that is higher than one suggests that there is a larger concentration of that industry in your community than the U.S. average. In the electronics sector, the concentration of employment here vis a vie the nation is about 2.1 times larger so that you can better understand this chart. The comparison we have there with your state suggests how stronger or weaker you might be on any one of these sectors compared to your state average. So you have a thoroughly significant technology community already and I must also add that your economy is definitely going to grow further and in a very diversified way and that is very good. I think the challenges of the early 1990's are way behind you. This is an interesting chart. Where a community wants to be is on the right-hand quadrant of this chart. You want to have companies that are growing nationally or sectors of the economy that are growing nationally to be growing also in your region. The top quadrant on the right-hand side suggests that you have those sectors in your economy that are very strong and also growing strong nationally. The bottom suggests some opportunities, particularly in biotechnology, health services and those are areas that are growing nicely in the U.S. economy but not growing in the local economy. This is just a visual indication to see where your economy is today. As you can see you have a whole lot of clusters that are on the left-hand side of the quadrant there that suggest there is still an opportunity for your to diversify your economy into the growing parts of the new economy sectors. The business of recommending targeted industries for our company is not one that is focused basically on only what you have indicating that you are capable of growing. The recommended targeted industries look at the regional developments, the developments of the state, look at the capacity of your higher education, your workforce and your core competitive skills and all of those factors and global trends in economic development, I think, give us the opportunity to come up with your targeted industries. We recommended five. First and foremost, business and financial services, software and information technology, defense and advance security, medical and life sciences and aviation. Rather than singularly focus on those broad categories we gave further definition to the sectors within those broad categories that ought to be your niche market. We are not suggesting that your region is perfect for life sciences in all its components and sectors but only suggesting those areas in which we feel that you have a competitive advantage. The same thing goes for every one of the sectors. Now in more detail, business and financial services. First of all, we thought that the common characteristic of all of these industries ought to be one that they all promote a higher level of economic development, high wage jobs and high value economic

development. All of these opportunities that we have identified are sectors of the economy that are growing. The business and financial services employs 2.3 million people today. It is growing nicely and the average income in that part of the economy is about \$52,000. You have a strong and growing cluster, I think, in Manchester for this industry. You have a reliable transportation infrastructure with both your highways and the airport. Lastly, you have a growing population, I think, with access to university students that would make you attractive to this industry. We are suggesting the integrated service center type of companies or data centers, as well as customer relations management kind of activities. With data centers you have a limitation and you would only be able to attract some of the smaller entities because your electric utility rates are not competitive. In software and IT we are recommending software development, network security, information analytics and visualization as components that you should focus on. First I think again you have a strong and growing cluster in this industry. We have seen 43% employment growth since 1998. This is obviously an industry that pays high wages and even though it has off shored quite a bit of its jobs over seas it is recovering and growing again. Access to venture capital is important for this industry and we feel that your proximity to the Boston market, which is one of the top tier venture capital markets in the country, is very important for the growth of this industry. The average wages paid in this sector are \$80,000. You have a well educated workforce, which would make you suitable for this industry but more than that our whole focus in this plan has been to give this community an entrepreneurial bend to it and an entrepreneurial zeal and this is an area in which the cost of entry is very small and entrepreneurship is something that could thrive, particularly in software and information technology. In the defense and advance security sector, biometrics, defense manufacturing and precision industrial machinery is an area where we felt your region ought to focus. Again, your pro business climate and low overall tax burden as a state, I think, is a good thing. Machinery is a leading export for your state and nearly \$750,000,000 were exported in 2004. We believe that the defense budget is booming and there are significant opportunities in it. Here we recommend that you use your political leverage. While you are a small state you have, I think, significant leverage by tradition in Washington and this is where your Congressmen and Senators could be used for economic development. Medical and life sciences. I don't want to confuse this with hospital employment but our nation is aging. In almost every community I go to there is a major expansion underway with hospitals and so forth. This is more targeted towards the medical device manufacture and medical test laboratories and drug development centers. We have seen high growth in this industry – over 1.2 million workers and high wages. The U.S. is the largest exporter in the world of life sciences, technology and achievements and know how to the rest of the world and moreover this is an area where there is a significant cross over of obligations. Today you can be in life sciences and be working for the Department of Defense or the Department of Energy or you could be involved in biotech or bioagriculture. It is one area in which I think there is phenomenal cross over opportunities. Aviation. We feel that air freight is an area where there could be a whole lot more going on here even though you already have some strong assets in this area with significant cargo coming into your airport. That is not to

say that you cannot achieve more. Instrumentation manufacturing, maintenance repair and overhaul are areas in which as a reliever effort to Boston's airport we believe there are opportunities. 19% growth in average wages since 2000. It will allow you, of course, to better utilize one of your greatest assets, which is the airport. One of the first remarks I made to my colleagues when I came to your City was wow I have never seen a City of 100,000 people with such a remarkable facility and you should all be proud of that. Your airport is truly a world-class facility and anything that involves economic development around it needs to be promoted at all costs. Aviation, while it has had a dip nationally, is growing again. These numbers are as of 2004. They don't really depict what has happened in the last year. As you may have heard there have been record sales in aircraft by Boeing and record numbers in procurement by the Department of Defense, as well as record sales by Air Boss in Europe. So the industry is growing substantially again. Now what are the key themes for this project? We ask that you consider the broadening of the vision for economic development. We ask that you consider the broadening of the role of the Economic Development Office. We have given you a lot of strategic initiatives to undertake and simply put there has to be a better organizational structure to handle economic development for your future. I also ask that you look at economic development not as a place to exert control to the point where you choke it, but rather as a place where the discussion ought to be more of what is the return on investment and how can the City's contribution to economic development be leveraging private sector dollars. For every dollar that you put in do you get another \$1 or \$2 from the private sector to market and promote economic development? That is typically how economic development marketing organizations are set-up throughout the country and that is the direction that I think our recommendations have taken with this project and I will talk about that a little bit more as we go along. In my opinion, you have a great city with a great downtown that has an international appeal and looks very much like a European and international city. Culturally, you are tied to your international business development than perhaps a whole lot of other cities although that is true, particularly of the New England states. Moreover, every effort ought to be exerted I think to align the future of your economic development with what is happening the world, particularly in Europe. To that extent, to promote an international climate and an international culture is very important for your future. That would allow you, of course, to grow your international business. You already have a number of international businesses doing business in Manchester and I think you haven't even scratched the surface in that area. Finally, we volunteered to give you a brand and that is typical of our firm's strategic plan product. We like to brand our projects so that they encourage a broader participation from a variety of organizations to come forward and speak with one voice. The brand that we are recommending is City International. That speaks to your international culture and to the possibilities that might exist in the future for your economic development and more than that I think it captures the cultural essence of your community and your heritage. We are not experts in branding. We are experts only from the economic development point of view. This brand may be tweaked a little bit at your discretion. You can always look at a local firm tweaking it a little bit. Half of our clients like the brands that we give them and we have developed brands for the

City of Orlando, for Birmingham and for a number of communities that we have done this work for. So throughout this process we try to give you a site selectors perspective to economic development because other than strategic planning work our company is engaged in site selection work for some of the largest companies in the U.S. We actually perform site selection for HP, Oracle, Dell, Intel, Microsoft and several of the life sciences companies that are global so our company is thoroughly experienced in looking at a community from a site selector's perspective and that is where you want to really have your economic development program directed towards. So we have looked at five broad categories that typically a site selection consultant looks at – business climate, sites and infrastructure, education and workforce development and quality of life and economic development effort and marketing. So if I take each one of these I think the goal for creating the appropriate business climate here is for Manchester to create a business climate that supports growing local businesses, that attracts new companies within the targeted industries that we have specified resulting in higher quality jobs and long term prosperity. For sites and infrastructure it is that you develop sites that are capable of meeting the needs of those targeted industries. For education and workforce development, it is that your students and workers must have the skills to meet the needs of those targeted employers and moreover if there is advice that I give to every client because I think it is universal, whatever you do as a community align your program with that of your educational infrastructure. I have been to too many communities where they have great universities, graduate substantial engineering talent yet the communities are not really embarked on meeting those students' needs so you have those universities become revolving doors where they graduate talent only to have to be employed somewhere else because the community has not really embarked on the type of economic development that is measured with the skills that their institutions are producing. The other advice that I give is whatever you do focus your economic development towards the 25-44 year old demographic. There is nothing that will determine your capacity for economic development more than that demographic – 25-44 years old. All of our private sector clients that I have mentioned, that is the workforce that they look for. They don't even look or care about the demographics outside of that spectrum. Why? 25-44 years old is the workforce that obviously does not have a whole lot of baggage with other employers. Companies in the technology field like to hire young people, mold them to their culture and train them. It is a group that is associated with hard work and hard play. It is where innovation is found. It is also, let's be realistic, where cost savings can be had from a variety of corporations. It lowers the overhead. This is the workforce that every one of our technology companies is seeking. Let me be more forthcoming with another statistic. I know that in the minds of this community and many other communities, off shoring has been on the top of the agenda. Well if it is on the top of your agenda, consider how much off shoring will become prevalent should in 15 years you not be prepared for the workforce. Our calculations suggest that by the year 2015 there will be a serious demographic problem in our country. In fact, we will be creating 1 million more jobs than there will be available workers for. The baby boomers are aging and it will take another 10 years before the demographics work their way back to us having an adequate supply of labor. So if you think

that off shoring is center stage today, think of what it might be in the future and it is not just the cost of business that will take U.S. companies overseas. It will be more and more so the availability of labor and for that matter skilled labor. Quality of life. The day that young force, the 25-44 year old demographic, chooses a city where they want to live and then they look for employment. It is not what it used to be where you just moved to wherever your employer wanted you to move. I urge you to consider amenities that are really targeting that 25-44 year old demographic. Hike and bike trails, tennis courts, more nightlife amenities, 24-hour downtown are the kinds of things that these professional youngsters want, not golf courses and not single family homes. They like to have a more flexible lifestyle and more than that not everyone wants to live in a single family home. They want to live in high quality, high-end apartments or condominiums. Lastly, economic development marketing needs to take a different notion of what it is today because for the most part your economic development organization is a one-man show and he is handicapped and doesn't have the resources to do any proactive marketing. Business climate recommendations. We suggest that you establish a technology incubator. Your incubator today is not one that I think we have in mind. We truly want an incubator that focuses on business formation and start-up companies, not one that services more as a business development center or real estate venture. There are some incubators around the country that we have noted for you to look at in our report. In fact, throughout this entire report for every recommendation we normally have one or two best practices around the country for you to look at. Form an entrepreneurial team with the support of your existing SCORE chapter. You have a great thing going on in the Young Professionals Network Organization. I think every effort needs to be exerted to expand the effectiveness of that organization and how they become involved, not only in business but also in the political life. Look at young people to serve on Commissions that the City is putting together or advisory committees. Today, 41% of the nation's personal income is found in that 25-44 year old demographic. In technology communities like Austin, 51% of the income is concentrated in that demographic so these young professionals today are not individuals that don't have money to spend. In fact, they have more money than all of us to spend. So they should be viewed as an economic development opportunity. I strongly believe, having been a practitioner in this business myself for almost a dozen years, that you cannot have an effective economic development organization if you cannot take care of business at home. So a great emphasis ought to be given to the attention and the expansion of your existing businesses. A lot of your public policy needs to be oriented towards your existing businesses as well, not just new businesses coming in. I say that because in any given year, hands down, whether you look at Austin or Atlanta or San Jose, California, 95% of all new jobs are created from existing businesses. Rarely do you see an economic development program that generates more than 5% of all new jobs in any given year through recruitment. Strategy 3 is to promote a pro business environment here and we have several suggestions to make. The development process needs to be streamlined and the permitting process needs to be streamlined. We have heard those complaints from a whole lot of the focus groups that we have had as well as through the online survey. There are a lot of tools at your disposal I hope. I know that as a state you

don't really have a whole lot of tools to incept economic development but there could be development fee discounts for the companies in the targeted industries. It could be land swapping or free land as many communities around the country have utilized as incentives. We are also suggesting the smart zones concept that was developed really in Michigan. In fact, I would also suggest a digital downtown like Austin has that one of our very visionary mayors had come up with that really focused on Intel development and bringing technology companies to downtown. You already have a good start in that respect. When we look at sites and infrastructure, I want to focus again on something I said earlier. If there were a user today you could just not accommodate him. So you have a wonderful asset in the Hackett Hill site and we propose that that site be developed as a multi-tenant technology park. I would not, although the site is capable of becoming an R&D center for a major institution as well as a corporate campus for a single user, I would go for building a diversified economy and I would strictly make that project a multi-tenant technology park. There could be R&D. There could be some light manufacturing and there could even be software development done on that site. There are tools, I think, that the City has at its disposal to even allow that site to develop a lot quicker. For every manufacturer I think that you have in the City and one particular example that I thought would make a lot of sense is the Rockwell facility downtown, which sits on prime property. There is no reason why that company cannot be incepted in some way or another or discussions begin to have that facility relocate to the Hackett Hill site. We believe that while the highways determined economic development in our country for many years in the past, the Internet and broadband are going to be the new highways for economic development in the future. Consider creating a broadband strategy for your City and moreover I think that is also an appropriate strategy for your state because a lot of states are looking at this issue but none of them really see it as a pool for economic development. We are way behind Europe on telecommunications, and particularly way behind the South Koreans on broadband. They are number one in the world. Develop the Jac Pac site into a business-focused asset. Our recommendation there is that you develop this as an office park. We believe that a developer can be recruited in a partnership with the City to develop a hotel and convention center complex and in discussions earlier that I had really the concept of convention does not apply here because most of what you have been talking about is really a conference center. A convention center facility suggests that you are going to have significant exhibit space as well. I feel...I did not change the wording of this slide because I feel that your City is capable of also looking at the convention/exhibitor market in a more substantial way than you have in the past. Not just the conference center. Long-term Jac Pac and the Hackett Hill site while they may give you some room to breathe for the next five years or more, the City ought to be ready and eager to bring other land into ready to build sites...as we say shovel ready sites. Other infrastructure recommendations. We recommend that you establish a transportation task force to create and implement a regional transportation plan and an integrated transportation plan to look at commuter rail, which I think is one other project that would put economic development for your state and region on automatic pilot. If there was one project that I would think that would bring the greatest benefit to economic development and immediate benefits it would be the

implementation I think of bringing commuter rail to your City. Obviously everyone has talked about parking and we urge you there to look not just at surface parking...your City is already fully compact downtown and you have to look at multi-story parking structures to accommodate I think your needs. Workforce and education. We strongly believe that colleges and universities should dedicate an individual within the organization to be liaisons with economic development. That is what exists in a whole lot of other places around the country and that is where true collaboration can truly become possible among economic development and universities. Needless to say the focus for your workforce training ought to be on the targeted industries that we have recommended. So to the extent that you can push and encourage your colleges and universities to be focusing on the areas that we have talked about. That will be a positive thing. In my view, anything that you can do to strengthen the research and development focus of your institutions is going to be a great thing for your economic development. Therefore, we strongly suggest that you take a strong stand particularly when you look at the expansion of UNH on their science and technology efforts for their downtown campus. There is nothing more that typically defines economic development than a core research and development university and to that extent I would also say look at your private sector and how can you raise some funding from the private sector that would generate funds and Dow shares for that part of the campus to expedite its development. Your public schools must aim to be world class, not the best in the region or your state. In fact, I made it pretty clear earlier in my remarks with some of you that your SAT scores are below the state average. In any case, no matter what the state of your education may be or you feel it is, you always need to be striving for world class. Entrepreneurship can be taught at a young age and we believe it is essential that entrepreneurship is taught at K-12, through colleges and universities. Most of the successful cities in technology today have entrepreneurial programs and we have given you a plethora I think of best practices to look at in this particular area as well. Create the business plan competition, even in high schools, colleges and universities and allow them to also compete on regional and national competitions. Create a youth entrepreneurs program to teach people how to be entrepreneurs. It is not just in one genes today to be an entrepreneur. Really entrepreneurship can be taught. Obviously you have a great thing going with your Young Professionals Network. Involve them as much as you can with economic development. Quality of life recommendations. I think it is self-evident that today again quality of life is an area, which is very subjective. Above all quality of life is really where people feel comfortable living and where people participate in the asset base of a community. So I encourage you to look at not only arts and cultural amenities but also other parts of quality of life like hike and bike trails around the riverfront that really bring new life to downtown on a 24 hour basis. Economic development efforts. Agree on the economic development vision that we have created for you in our document and more than that seek ways to leverage your funding to economic development. Leverage private sector dollars and create that return on investment for the dollars that you are expending. Today if you are spending \$200,000 in economic development, that is exactly what you get. What I am suggesting here is that you spend \$200,000 and you create a \$600,000 economic marketing

organization. That is probably the most appropriate for the size city that you are. I know that I am running out of time here so I am going to run through this quicker and hopefully I will allow enough time for questions. We believe that economic development needs to be done on a regional level and if I cannot convince you to accept that tonight at least you can start promoting your City and hopefully longer term you can find out the merits of regional economic development. As a site selector when I fly over cities I don't see city limits or county limits. All I see is a workforce, therefore, economic development in our view can be best approached from a regional perspective on infrastructure, workforce and education but more than that every economic developer tries to market their city and make it be bigger than what it actually is. So why market only the City of Manchester when you only have 100,000 people, which limits your economic development when you can be marketing your county with over 200,000 people, which expands your economic development. I would not even stop there. As I said earlier, your region is an extension of the Greater Boston area so the way you ought to be marketing yourselves is that you are part of that major marketing area that you can service or pull a business here. So what are the next steps? Well before I go to that I promise...this was not part of my original presentation. I did this very quickly before we started this presentation but the typical economic development organization of a city of your size needs to be spending roughly about \$500,000 for economic development. It needs to have approximately five staff. An executive director or CEO, a director of business development for recruitment, a director of business expansion and retention, preferably a person who can work with entrepreneurs or perhaps leveraging institutions of higher education as well as the Young Professionals Network here to take care of that side of the business. You need to have a full-time executive assistant or office manager and a full-time PR and communications individual marketing your organization. So that alone gives you an overhead of about \$325,000 to \$375,000. One time expense, which is associated with the development of collateral materials and website and your website does not cut it. You have to do better than that if you want to really take your program outside of the community and be effective with it. We are suggesting a marketing budget of just over \$100,000 a year. So I know that I have talked about a lot of things but in essence really what I am talking about is the priority needs to be on a regional economic development structure. That needs to be taken care of in order for you to implement this project. Number two, every effort that you can be exerting to encourage your universities to become more science and technology oriented and more research and development...a science and technology program at your university is going to bring you substantial dollars in research and development whether those be state or federal. A focus on entrepreneurship because 70% of all new business opportunities will be in this sector. Lastly, if you want to keep the momentum going we suggest that you adopt this study officially as soon as possible and quickly decide on a brand. You can go with ours or something you develop internally. Develop the collateral materials that are needed. One other thing not every great idea in economic development has to be developed here. The most successful communities around the country visit other successful communities to see how they may have resolved a particular issue, how they may have financed a particular project, how they may have developed their downtown, how they might

have done commuter rail or all of these other things. I recommend that you choose one city annually that you would go and visit and bring back home some great ideas that have been implemented successfully elsewhere. Next steps. Adopt this plan as soon as possible, keep focused on the big picture. Not every recommendation here will be implemented but that should not be used as the excuse to not implement the plan. We would like to have this plan build on the momentum that it has already generated and be executed. I will say that while we take a lot of pride in our work we take more pride in the fact that we know that every single strategic plan that we have developed has been implemented and I hope that you will also follow suit in that direction. Celebrate your successes. Lastly, economic development cannot really happen without action. Action requires collaboration. Everyone's responsibility is economic development. Every citizen can help. What I appeal to you tonight is if not now, ask yourselves when and if not you, ask yourselves who is going to take charge of this study and how he can implement it. To the people behind me, I would say that economic development obviously has benefited this community a great deal. It has benefited businesses from all across life and I want to paraphrase those famous words "it is time now to ask not what economic development can do for you, but rather what each one of you can do for economic development." Thank you very much.

Mayor Guinta stated we will have about 45 minutes of questions until about 7:45.

Alderman Shea stated I thought I was in college again in Economics I and II. It was a very fine presentation. Let me go into the key themes. First of all, you indicated that we should broaden the vision of economic development. The second is the role of the economic development office. The third has to do with developing strategic initiatives, which again has to do with that. The fourth has to do with expanding political participation. In your view you are sitting around with 14 Aldermen here. Should they form a Committee...I broached that idea several months ago with the previous Mayor. Should there be an economic development committee made up of Aldermen in order for them to be included in what you believe to be expanding political participation?

Mr. Angelou responded by referencing that in our document we met...actually by broadening political participation we actually suggested that you seek to involve a lot of other players in economic development, particularly the private sector. In our experience, economic development is best done in the hands of the private sector. It is even better done when there is private/public sector collaboration. What we are suggesting here is an economic development marketing organization that will be funded jointly from the City as well as the private sector. In fact, what we are recommending is that whatever your level of funding is, it can be leveraged appropriately to create \$2 or \$3 more dollars to leverage your funding to create a formidable economic development organization. From my experience, the less involvement and I don't say that with disrespect or in any other way but the less involvement Aldermen or City Councils in other locations have in economic development, the better off economic development is. I say that because the debate often revolves around

the issues of how much we should fund something as opposed to how much our investment can leverage to bring in private sector dollars. An economic development organization needs those private dollars but even more so needs to have a private sector constituency. If you cannot run like a private organization, you will never be able to address and become a very effective organization in trying to fulfill your mission of bringing new industry in. It also takes you out of the heat, I think, in many ways of having to look at every project as a public project because the private sector economy will be coming to you suggesting joint ventures as opposed to you going out there seeking them. So my short answer is I am not...I don't suggest that you do that. I think that economic development needs to be in the hands really of the private sector economy. You can influence it by appointing members of the business community to the Board but in all cases I think the best type of economic development has occurred in private sector collaborations and that happens today in more than 85% of all of the economic development organizations around the country.

Alderman Shea stated just historically here many of the projects that have been initiated in the private sector have then come to the public sector here and there has not been as much insight and overview and understanding of what is required as far as public funding is concerned. Now I go back to the civic center where we didn't really get a full impact of the implications of that. Also, Singer Park, riverwalk and other projects that have cost literally millions and millions of dollars where the private sector has initiated these projects all well and good for the benefit of the general public so to speak but the public funding then became an integral part of this. What I am suggesting obviously is certainly the private sector should have a very vital role but at which stage then if public funding is required do the Aldermen who make that decision become involved? In other words, it seems to me that we become involved at the latter stages where obviously certain projects have been initiated and then it is almost as if if you don't contribute to this particular situation it cannot be fully implemented.

Mr. Angelou stated in most communities this issue is resolved but not necessarily changing the model of economic development but rather changing the mechanics. Obviously, as Aldermen you have the option of voting in favor or against a particular proposal. You also have the benefit of experts within your City to have you be advised on issues of finance. You can always make counter proposals. I can also say that when economic development is in the public hands, and that is exactly what you have today, it will make the private sector far more aggressive than it would otherwise be in coming to the public sector to fund every possible project. If it were in private hands, they wouldn't be coming to you as often as they are today.

Alderman Shea stated my own personal observation having served here 10 years I think that if there were more collaboration at earlier stages I really believe that there would be greater participation on the part of several of the members here. That is my own assessment but I thank you for your response.

Alderman Osborne stated I just want to reiterate a little bit on Alderman Shea's question or what you were answering him with. The private sector. Is there any formula for that? Is there any formula for private and City money? Is there any particular formula that you know of?

Mr. Angelou responded I would not expect the City to fund more than 50% of the budget for an economic development organization in the early stages. You may have to do more until they develop that private sector constituency but eventually I want to be under 50% publicly funded and over 50% funded from the private sector.

Alderman Osborne stated you mentioned before that Manchester...I guess a way of putting it is it has to become a sleeping city before it becomes a working city.

Mr. Angelou replied I am sorry I didn't get that.

Alderman Osborne stated I am just twisting a little bit what you were saying, which is that we need to have places to live before we have places to work. In other words, a sleeping city rather than a working city at the beginning.

Mr. Angelou responded no by that I meant...I think I was referring to you exerting every effort for your city to become attractive to that 25-44 year old demographic and that demographic picks a city based on where they want to live and then worry about finding a job. So quality of life does matter in economic development.

Alderman Osborne asked which jobs would be the best for the tax base. Would it be the high wage jobs, the manufacturing or high technology? Are there any particular buildings or anything else that would create more tax base rather than one job or the other?

Mr. Angelou answered by no means are we suggesting that the industries that we have given you for targets are the only industries that you are going to grow in this community but no community can be everything to everyone and you can only make a difference with the limited dollars that you will have in making sure that you are recognized as a regional center for a certain type of economic activity or target industry and by doing so you would have made it possible for the acceleration of other businesses that are not even targeted to be coming into the city.

Alderman Osborne asked how far would you say we are behind Boston as far as area that we do have. We can't compare ourselves to Boston but...

Mr. Angelou interjected I don't think that is a fair comparison. I think the cities that I would like you to maybe consider as potential competitors or likely benchmark cities would be

Hillsboro, OR outside of Portland and maybe Boulder, CO outside of Denver. They have done a wonderful job of developing their downtown. I would like you to think of maybe even in a limited way Hudson, OH outside of Cleveland, which has developed their city in a unique way. But with all of those cities put together I would say you have a much better downtown and a much more expanded downtown and more possibilities because you are far more diverse, I think, than any one of those cities are.

Alderman Long stated I understand the theory of your Boston market and the regional concept. When you refer to higher paying jobs, are we competitive within the market of NH and Manchester or is the market a regional market that we are being competitive with. If we have wages that are comparable to NH's wages, would that still be hurting us drawing the young professionals because they are going to go an hour south for a higher wage? When you talk about good paying jobs are you talking about a comparable wage within the region or a higher paying job for Manchester or NH's market could hold?

Mr. Angelou replied what I am referring to is young professionals, entrepreneurs, small to medium sized companies that don't want to have the hassle of traffic or any of the other nuisances operating in a big city environment, whether it be transportation, the cost of real estate or the cost of living. Economic development today is really truly global and in relation to the Boston market you are inexpensive. In relation to the California market you are inexpensive. In relation to every European market you are cheap. I do want to also suggest that the upper mid-West may be an opportunity for you to explore possibilities, whether it is Ohio or Illinois. Those are markets for which you ought to have some marketing presence. In Europe I think the greater possibilities exist with Germany and the UK, but certainly the Netherlands, Denmark, Italy and France.

Alderman Long asked with respect to south of Boston, the I-28 beltline, do you see any international development going on there or have you looked at that.

Mr. Angelou answered the I-28 beltline has been in many ways referred to as the Silicon Valley or highway 101 in the Silicon Valley and in many ways with the city of Austin, the silicon hills. It is definitely an area where technology companies have congregated over the years. It is a terrific asset, I think, for that region. Moreover, I think the uniqueness of your city in proximity to that market is that you have...you are not that far away. Obviously the development of the commuter rail would bring you even much closer to that market and I truly meant it when I said that you will put economic development on automatic pilot should there be an easier way of commuting back and forth.

Alderman Long asked with respect to the regional theory for the last 10 years Manchester has sprinkled some economic development I believe and I believe we have seen Manchester grown substantially with that little sprinkling. So with respect to the private sector I would think that they would be more interested now...with respect to the civic center and the

baseball stadium we sort of marketed ourselves to have that happen but I would think now we would be more attractive to the private sector seeing that we already have experience. That they would be more willing to invest in us as we would be to invest in them. Do you understand that concept and agree with that?

Mr. Angelou answered I did not understand the first part of it.

Alderman Long stated we have set-up a...we have done a civic center and a baseball stadium and brought some business into Manchester so that shows the growth. That shows that Manchester is able to sustain itself.

Mr. Angelou responded that is absolutely a positive.

Alderman Long stated I read in your report where you said that was one of the positives of Manchester. Now do you believe that we would be seeing more than let's say 10 years ago in 1995 when we were trying to attract the private sector to Manchester? Would you believe in 2006 that the private sector would be more interested in investing in Manchester than it was 10 years ago or is it pretty much a stand still?

Mr. Angelou replied I would like to think that the more private/public collaboration exists the better your economic development opportunities are going to be all together. One thing that I would in a way caution you about is not to look at...we view economic development as a continuing process of product improvement so one cannot say we have done this project and that is it no more. You always have to be in the business of leveraging your dollars with private sector dollars. That is really the definition of economic development. So don't look at one deal at a time but look at the progress that you are making as a community by investing your dollars to give you the best opportunity for leverage and the greatest return on investment. If you can do that with one deal and the next deal, why not do it forever?

Alderman Long stated I am excited about this vision that you proposed to us.

Mr. Angelou replied thank you and if I may ask one more thing, usually in those studies we take the view of the region and the state. One of the great things that can happen, I think, at the state level to encourage more entrepreneurship because obviously you have a great number of educated people in your state is to have some matching program for SBIR's at the federal level. A lot of small companies don't have the wherewithal to really have matching funds that sometimes the federal government requires of our federal grants and that would take you great ways in my opinion to really promote entrepreneurship in your state. The state of Virginia has come out of nowhere and now I believe it is the second largest recipient of SBIR grants because they have taken steps to be there.

Mayor Guinta asked are you able to give an indication of how NH ranks relative to the rest of the country in SBIR loans or grants.

Mr. Angelou answered I don't have that number with me but it would be fairly easy for us to get back to you with that.

Mayor Guinta stated we do have a fairly aggressive procurement organization up in Concord that is tied to the federal government.

Alderman Roy stated I would like to thank Mr. Angelou and his staff for a very dynamic and very informative three-part report. My question is rather broad. There are hundreds of questions that I could sit here and ask you for many hours but we won't do that. A real broad question about the way we have structured the city. Looking at your recommendations and your acknowledgement page you had the Manchester Development Corporation, Manchester Housing & Redevelopment, City departments, the Mayor's Office, Planning and Zoning Boards, some of which are governmental and some of which are quasi-governmental. The Chamber of Commerce, which is private. When you look at Manchester as a structure literally from the Mayor's Office down how do you see the way we have structured things and what can we do short of giving Paul more staff to use and interact better with some of those private and governmental organizations that we have?

Mr. Angelou stated I think in many places around the country economic development is seen always as well we have a challenge so let's create an organization to deal with it. You have another challenge so you have to create another organization so you create employment just for the sake of economic development when economic development first and foremost needs to be looked at from a strategic point of view – where you are as a City today, where you want to be 10 years from now and employing the necessary resources to do so. All of those organizations that you mentioned either they don't have staff or in those cases where they do have staff that is exactly what they have got. They don't have any marketing capacity to do the things that we are suggesting be done here or the capacity with staff to implement this plan. So always I would suggest that you look at this business from the point of view of consolidating efforts, saving money in the process but moreover giving money to an entity that can then be empowered to do the job that they are asked to do.

Alderman DeVries stated getting back to your recommendations on strategies for us to follow and certainly you touched base on education and other quality of life issues. Certainly we can grasp the R&D college or university campus and how that will directly impact economic development opportunity for the City. You also said that one thing as a City we need to as policymakers pay attention to is our K-12 education, which you noted and it probably isn't just Manchester but NH though I think Manchester even lags a little bit behind other parts of NH but you said we need to pay attention to improving the education available K-12 as well as at the college level. Would you care to elaborate on any specific

shortcomings or strategies within because I am not sure that our community is going to willingly fund education at the level that may get rapid results.

Mr. Angelou responded there is a significant direct correlation of economic development and K-12. You name a public school district or a school district anywhere in the nation that is considered tops and you will have the greatest economic development happening around it. In most parts of the country and I would like to think that is also the case here, parents choose in which neighborhood to live in or what city to live in based on the quality of their schools, particularly in cities where they have multiple school districts. So education is really at the cornerstone of any economic development activity. I am not suggesting that you are not doing a good job there. What I am suggesting is keep in mind that we are competing in a world economy today for skills and your educational performance needs to be measured not on how well you might do from one year to another comparing yourselves to yourselves, nor comparing yourself to the state averages or the U.S. averages for that matter. You need to be looking at the global economy and today there are more English speaking people in China and India than we have people in our country and the number of engineering degrees that those companies are churning out are about 10 or 20 times larger than we are generating in this country. In fact there is going to be a serious shortage of technical talent, particularly four-year engineering degrees in the near future. More than half of the defense establishment has people that in the next few years will come close to retirement. More than 60% of all of the engineers at Nassau are already at retirement age and mathematically we cannot possibly fill all of those vacancies with the engineering graduates that we have coming out of our institutions today. So the education is going to be critical I think for any economic development effort and moreover as a suggestion and perhaps we didn't offer this as a best practice but the only two places that I have been to as a consultant in which the private sector praised the quality of the education is in the country of Austria. The other place was in upstate New York. A lot of businesses really praised the level and quality of their education. No other place – San Jose, Portland, Austin included, are employers every satisfied with what they are getting and there are some pretty good school districts in those cities. So the emphasis ought to be looking at the global market for labor, not just the localized market. Anything that you can do to improve K-12 will be yet another ace in your cards in your economic development program.

Alderman DeVries stated I certainly agree with you that it is a very important piece of enticing companies to relocate or retaining existing companies is the value of the education. The other piece that I would love to hear you speak to is how important you feel it should be ranked by this Board when we are looking at our policy in budgeting decisions. You spoke to paying attention specifically downtown to the bike pedestrian trail development, which we have started to piece together in certain places and tying that possibly to the Airport for their commuter potential but also tying it to a campaign to improve the quality of life and entice companies, businesses and workforce into the City. How can we rank because that is often a

project that is perceived to be truly aesthetic and really not important to economic development?

Mr. Angelou stated I would encourage your school district to take two or three comparable cities in the U.S. that are actually considered to be tops and I would begin to benchmark your progress against those school districts. Education needs to be competitive just as sports is and unfortunately there is not a whole lot of competition when it comes to school districts around the country. Everyone tends to be inward focused and everyone tends to measure progress from one year to another within the district, never outside of the spectrum of your region or even your state. So encourage a little more competition and benchmarking with comparable cities that are doing well in education. We could probably help define some of those cities for you.

Alderman Lopez stated I met this afternoon with you and I want to ask one or two questions. First of all a comment I made this afternoon privately with you is that I thought you did an excellent job on your report. It gives us a foundation to move forward 10, 15, 20 or 30 years. It took us over 30 years to build a civic center in the City of Manchester. One question that I do want to ask you...we are told 50% and I understand you talk about technology coming to Hackett Hill and that but 50% of the workforce lives outside of Manchester. By having this technology or fitting the bill so to speak in Manchester as we have done with many projects for the regional economics that you speak of, when we did the civic center for example we could not get the state or the county to contribute \$1 but we saw the vision, the people who were here saw the vision of economics and what it would do for our City. I hear this term regional economics. I hear it from the Chamber of Commerce and from you. If we do all of the things or do some of the things that enrich our City but the people are not living here and not paying the taxes here then the burden becomes the bottom line and it stops here. How do we offset that or what do we do? Do you have any comments in that area?

Mr. Angelou replied to have a regional economic development effort I think you must be prepared to accept that you are going to win as well as lose. You may be saying why do we promote a regional effort when this company went and located outside of our City. You might win in terms of some of the people that might work in that industry living here and it can also come your way. I believe that you are going to benefit far more from a regional effort because you are the largest player north of Boston. You are the largest City with the greatest number of assets and I think other cities might be more or regional players might be more apt to join you than you should be concerned about joining them. I think this is an area where you can show vision and leadership and see where it takes you. The ultimate goal from a city's perspective is that 50% of your taxable...from the City's revenue ought to be coming from commercial and 50% from residential developments. In your city I have been told commercial development only covers about 38% or 39% of your revenue. That means that your residents are subsidizing commercial development to some extent. You want it to be at 50% or more in favor of the resident. So that means that you have a whole lot more

economic development in front of you to do to bring that balance where it needs to be and marketing regionally gives you the capacity, I think, to look at the greater pie of economic development projects then you would otherwise have the option of working with because your size limits you. In your economic development project there are certain projects that literally say we won't consider a city less than 200,000 people or a region with less than 250,000 or 500,000 or 1,000,000 so the levels of economic development that you can be playing in that field increases I think with the larger you claim your region to be. There are some places where they are not practicing regional economic development yet they claim a much greater area in which they have jurisdiction for for marketing purposes. Again, why emphasize that this business is about marketing and PR and nothing about reality?

Alderman Lopez stated I want to follow-up and maybe it was the other group but in reference to affordable housing were you speaking on that before. High end housing such as we have on Elm Street, which is high end is going to lower the other portion for those people that are not making the high bucks. For example what I am speaking of is that you have the high tech people going to Boston and living here and reaping the benefits of \$1,200 versus \$3,200 or \$3,500 rent in Boston. That pushes our market up and you hear the terminology workforce housing and affordable housing and Section 8 and we went through the process this afternoon of 8,000 people waiting to get into the Manchester Neighborhood Housing. I just don't know where this is going.

Mr. Angelou responded you are not unique in that situation. Affordable housing is a serious problem for our nation and for many, many and in fact every one of our cities. I don't know that it is a problem that can easily be solved, nor is it a problem that you can look at one dimension of building affordable housing. You need to also look at it as a way of elevating the skills of the workers to really be earning higher incomes. If you are not looking at both then you are looking at only one side of the equation. I have and I am by no means an expert in affordable housing so I am just offering you my humble suggestion here. Every effort needs to be explored by the city to take advantage and help the private sector take advantage of the federal tax credits because in my involvement in economic development more and more of the affordable housing problem for a number of cities has been addressed with specifically the federal income tax tax credits that are given to the private sector to address this issue. I don't really know how well you may be doing there. This is not something that we were asked to look at but obviously it is an area where other cities have made substantial progress.

Alderman Shea asked if we do not broaden the vision of the Economic Development Office or broaden the role of the Economic Development Office and keep it at the level it is at now will we be able to accomplish the objectives that you have outlined for the City of Manchester.

Mr. Angelou answered absolutely not.

Alderman Shea asked in other words it is a must. Is that correct?

Mr. Angelou answered it is a top priority just as it is your size. You can have the greatest economic development program and all of the things we asked you to implement in place and if you don't have the appropriate sites where are you going to actually put economic development. You have to first allow this program to be implemented and the pre-requisite is that you have an organization that can actually take on the tasks and implement them. Secondly of course the infrastructure to accommodate the growth that we expect you to attract to this region. Third you have to take care of the entrepreneurial infrastructure and quality of life amenities that we talked about and all of these are long-term issues. Unfortunately nothing that we often prescribe in economic development can pay dividends from one year to another.

Alderman Shea stated so the bottom line is that the man next to you if he doesn't get additional support in his office we might as well say that things will not progress to a point where we will realize any kind of real improvement in the economic development of this City.

Mr. Angelou responded based on what I know of your capacity of your economic development institutions I would concur with your statement today. There is not enough staffing or depth in any one organization to take this project on.

Alderman O'Neil stated I, too, would like to commend Mr. Angelou for the work that he and his staff did on this project. I wasn't going to ask a question but I have heard a number of my colleagues bring up a question about the civic center or comments about the civic center and baseball stadium and we tapped that entertainment dollar and we have seen some return on that, return on investment, but that is down here compared to what you are talking about correct?

Mr. Angelou replied I think so but that is also, in my opinion, a balanced approach to economic development. The sports venues, the entertainment is all part of the pie. Not only do they contribute directly to your revenues, but also they contribute to the quality of life that people would perceive with those organizations or infrastructure projects.

Alderman DeVries stated the Hackett Hill development, is it your opinion that that development will be dependent upon the new interchange with 293 that is years out and a follow-up question would be the downtown convention potential. Is that dependent upon the commuter rail coming into the downtown area?

Mr. Angelou responded I think the interchange for the technology park is something that must be done at some point in time. Obviously it doesn't have to be the first thing that you

do. The first thing that needs to be done is to actually and I think a study that I am going to be speaking about is I am told underway to look at and plot the 150 or 160 acres that you have there that are developable. To look at the exact lot or plot sizes and what can occur in what part of that park and potentially begin to develop the roadways within that development one small piece at a time to allow you to open portions of it for development. So the interchange is not a pre-requisite at this point in time but it will become a pre-requisite for the full implementation and the full build out of that park. As far as the convention center, I don't think that it is a pre-requisite to attract that kind of project to your community based on whether you have commuter rail or not. I think you have a great airport and a great way of bringing people to this region and that project will be sustainable without commuter rail. It would help but it would not be necessary for its success.

Alderman Gatsas stated I guess now that I have an expert in front of me it is an opportune time to ask you about Hackett Hill. If you had the wand and you were the City of Manchester and Hackett Hill was a project within your bounds, would that be a project that you would look for a private developer to put forward that had a risk reward basis to it or would it be something that would basically be a non-profit to develop?

Mr. Angelou replied I think it can be both. The only way that I would...

Alderman Gatsas interjected you are straddling the fence. You have to pick one or the other.

Mr. Angelou stated let me say that I am always in favor of the private sector playing a role in economic development but the private sector would have to adhere to a specific development plan for that site. You will need to be protective of what we consider in economic development as compatible uses. As long as it is a technology park that is dedicated to research and development, software development and light manufacturing, yes. We will not allow the private sector to bring incompatible uses to that park like heavy industry. You have to protect the integrity. If you can do that then I would advise you to go obviously with the private sector. If you cannot do that then it is possible to do what you want through maybe a 501C3 to use that vehicle as a financing vehicle. You will still be generating revenues by selling property, which would then be taxable property, to the private sector as well as whether you are selling or leasing there will be some revenue coming in that would allow the project to be a profitable project for the City. You can also look at possibly a TIFF for that site that would allow you to...is that allowable? I thought it was. It is a common financial vehicle available for these kind of projects around the country. It allows properties tax for value added to create incremental value to generate the monies for the program development or infrastructure for that park.

Alderman Gatsas asked so for all of the parameters that you talked about for R&D, if those were all in place and already part of the Hackett Hill design product that this Board had

voted on what you are suggesting is the private sector should be out there marketing this and absolutely not the Manchester Housing & Redevelopment Authority.

Mayor Guinta called for a recess.

Mayor Guinta called the meeting back to order.

Mayor Guinta stated I will now introduce Bob MacKenzie who will introduce the next group, Hillier Architecture, who will then do a presentation regarding downtown strategic planning and architectural design.

Robert MacKenzie, Planning Director, stated I have a couple of housecleaning items tonight. I did want to recognize those members that were on the steering committee that oversaw the two studies as they were being developed and that included representatives from the Finance Department, our Planning Department, the Economic Development Office, Solicitor's Office, along with representatives from the Manchester Development Corporation and MHRA. In addition, I did want to thank different groups that funded these studies. They included the Federal Economic Development Administration, Manchester Airpark funds through the MHRA, a grant from the Manchester Development Corporation and funds from the Federal Department of Housing & Urban Development to help pay for those studies. I did also want to mention that this is part of a planning process. These two studies actually will be folded in to the City's Master Plan, which the Planning Board under state statute will be developing. These two, as well as other studies that were recently done such as the Urban Parks Master Plan, will be reviewed by the Planning Board and included in a City Master Plan, which does form the basis for the zoning ordinance. That is important because both studies are making recommendations for changes in the City's zoning ordinance, which then this Board would ultimately have to approve. Speaking of the Master Plan, the last one that was done was in 1993 and then just before that Master Plan there were a couple of other studies including the Downtown LDR Plan. The Downtown LDR Plan was at a time when the downtown was pretty bleak. We had banks that had just been taken over by the FDIC. We had major vacancies on Elm Street and all of the side streets and in the Millyard. The LDR study came about because a lot of citizens and elected officials said we really have to do something, we can't let the downtown decay any longer because it is impacting on the rest of the City. So the LDR study came about and frankly it was one of those programs where most of the key recommendations from that LDR have been implemented. You have a new downtown organization, Intown Manchester, whose focus is to work with the businesses downtown. Elm Street was reconstructed. The facades on Elm Street were improved with grants. The Millyard, which had major vacancies has been changed in terms of zoning and has become a major employment base not just for the City but for the region. The civic center, although it was in a different location in that particular report. So there were a number of key things that helped change the downtown and not just the downtown. Changes that have occurred in Manchester's downtown have changed the image and

perceptions of the City as a whole. At that time we were viewed as basically a dying mill town. Now we are kind of viewed as a renaissance city. With all of the changes that we have seen over the past few years and most of the recommendations of that study being done, now really we are at a cross roads with the downtown. How do we keep the ball rolling? How do we keep the improvements in the businesses going and that is why the City went out and selected a downtown consultant who I am now going to turn it over to for a presentation. Anish Kumar is with Hillier, which is both an architecture and an urban design firm out of Philadelphia and New York City and he will introduce a couple of other partners he has, consultants, who will help with the presentation tonight.

Anish Kumar, Director of Urban Design, Hillier Architecture, stated good evening honorable Aldermen, Mayor and members of the community who are here today. We thank you for the opportunity to work in Manchester and to get to know your downtown and your staff. Over the last nine months or so we have been working as a team, as Bob mentioned. A team of three consulting firms that came together to create a vision for your downtown. With me are the principal members of my team. To my left is Dick Voith, an economist from Econsult Corporation also based in Philadelphia and he brought to our recommendations an economic perspective. To my right is Lynn Wolff from Copley Wolff Design Group of Boston. She is a landscape architect and has built parks and open spaces throughout the country and in Boston and she brought a public space focus to our recommendations. Together we have made recommendations that are documented in the report that you have seen. I am going to start today by first bringing to your attention the area that we were asked to study. We were asked to study an area that is roughly bounded by Amoskeag Bridge to the north, Queen City Avenue to the south, Pine Street to the east and Main Street to the west. This area is significantly larger than the area that is currently identified as downtown. It spans both sides of the river and it includes more than Ward 3. It touches many more wards than the one ward that the current downtown touches. Our charge was to identify issues, create a vision for expansion of the downtown core that currently exists between Bridge Street and Granite Street and Pine Street. We were to expand this core and by expand I mean...I use the term expand holistically. Expansion of the geographic area that the downtown covers. Expansion of the number of jobs that exist in downtown. Expansion of the amount of retail activity that exists in downtown. Expansion of public spaces. Expansion of the amenities. Expansion of the number of people who come and live and pass through and work in the downtown. So it is an expansion of the downtown and as Bob said you have accomplished everything that the previous Master Plan for downtown Manchester recommended. It is a good time to think about the next 10 years and that has been our focus – to create that vision and then identify some concepts that will help you implement that vision. As I make my presentation there are three threads that run through this work that is integral to strategic thinking. What we were charged to do here is create a strategic plan to implement over a long period of time. Those questions are...to understand where downtown Manchester is today, where you want downtown Manchester to be and how you are going to get there. Let me start by quickly defining how we understand downtown. A city's downtown is it's center. It shapes people's

image of the city and provides amenities that make the city competitive. Cities compete like everything else in life. They compete with other cities and they compete internally. You heard a lot about competition from Angelos Angelou and how important it is to be competitive. Downtown is also the city's ambassador to the outside world. It is the most valuable asset – a strong thriving downtown is any city's most valuable asset. When people think of their city...you ask people who live in Manchester about their city and what they would take a picture of many people would take a picture of parts of downtown. The Mill district perhaps or some of the parks. So I say that downtown is an ambassador of the city. It is very important to think of downtown in terms of its places. The success of...the quality and vitality of these places that downtowns are made up of influences the downtown's desirability for residents, businesses and visitors, which in turn summons its economic benefit to the whole city. Success of both large and small downtowns is defined by their public spaces. Spaces such as Pierre De San Marco. Spaces such as Meins Park in Munich. Spaces such as Palmer Square in Princeton. Each of these places are active public places that exist in downtown and they shape people's perceptions. They shape people's experiences in the downtown. These spaces shape how people use their downtown. Downtown is a place that provides...is a hub. It provides an opportunity for people to live, work, shop and play. This is Town Square in Riverside in Atlanta. This is Millenium Park in Chicago, Illinois. This is Main Street in Fredericksburg, Virginia. Each of these places exists in a thriving downtown, one that is valued by all of the residents of these cities in which these downtowns exist. This is the riverwalk in San Antonio, Texas, which shaped everybody's perception of San Antonio. In fact, it turned San Antonio around as a local economy. Downtowns are places that are easy to get to, that provide more choices and train stations such as these have always been part of any great downtown. The best downtowns have train stations. It attracts people in to visit. Public Square in Boston, MA. People come to downtown not just to see the museums and attend meetings and go home but also to interact. To interact with other people or different people and to interact with their surroundings or to do nothing at all. To watch other people doing things. For quiet contemplation. A place for our children to play and learn. These are all downtown places. These are places we have picked from places where we have worked. Downtown is a place to come together for special celebrations and it is usually a place to go at all times of the day and night in all different types of weather. This is the goal for Manchester's downtown. We see Manchester's downtown as a vibrant and memorable place for all of the city's residents, not just those who live in downtown or those who visit downtown or who work in downtown but a resource and amenities that improve the quality of life of people who live around the downtown throughout the City. This is a vision statement that is in the report – to create a vibrant downtown that will enhance the quality of life for all of the City's residents and reinforce Manchester as a great place to live and a place to go for all New England residents and visitors. As we look at the existing downtown in Manchester, we find many of the kinds of places that make great downtowns. Elm Street has a good mix of uses – shopping, restaurants, a vibrant historic district where you have managed to change one type of use that occurs in this district into another type of use that is more current in today's economy. The

baseball park, a riverwalk and the arena provide an opportunity for people to visit. We also find some things that hold back downtown. We find some pedestrian barriers that separate parts of downtown from other parts of downtown. Large tracts of land used up for surface parking and I know that parking has been the subject of many discussions in this room and I don't mean to say that you have too much parking. All we are trying to say is too much of your land, which is the most valuable resource at city has, is used up to store cars. Perhaps there is a better way to store these cars in a denser, vertical structure of maybe two or three stories and preferably mixed use structures so you don't have large streetscapes with parking. When we look beyond the small area between Bridge and Granite Streets where all of those places that I show you previously exist, we find a totally different environment. This is the area that is the current downtown and on the left of the screen is the map that shows you what portion of the city these two areas occupy. We find very quickly that the downtown gives way to a suburban oriented pattern of development. We find large tracts of single use development. We find poor pedestrian infrastructure. We find a low level of amenities in residential neighborhoods. We find auto-dominated environments such as gas stations and extra wide streets that have low density single use environments. The center of downtown very quickly disappears as we pass beyond Bridge and Granite Streets, particularly south of Granite Street. So you ask why should we care? Why should we expand downtown beyond the current boundaries that exist? Why should we fill the existing downtown places with more people? That is one of the things that is not missing but I would say you could use more of. More people downtown. You have the places. You have the plazas. You have the public parks and the streets. They are not always filled with people and they are not filled with as many people as they should be downtown. We care because downtown is a good business. More people mean more sales for your shops, more residents to fill up shops and condominiums, more visitors for your museums and arenas, more customers for the restaurants and more jobs for the residents. To give you a small statistic, in downtown Philadelphia, 43% of all the jobs...people who work in downtown Philadelphia live in the neighborhoods of Philadelphia. Not in downtown but in neighborhoods around downtown. That is a big engine. I will give you one more example. Arlington County in Virginia. This is a suburban area, which was not blessed with a historic downtown like you have. Arlington County has been manufacturing downtowns over the past several years. They have been taking advantage of their train stations to create dense downtown like environments. Today, 50% of the tax revenue from the county is generated from just 7% of the land that is in those gray areas. That is the power of a downtown. The current downtown is .7% of the city's landmass. Your downtown that we were asked to study is 4% of the city and that is a generally good proportion of downtown to the rest of the area. It just needs to produce that much more for the city like these other downtowns have. Now one of the things all downtowns face is competition from sprawl. These kinds of environments are the result of 50 years of progress. Unfortunately, while these developments have made life better in many ways and I would be the last one to argue that malls don't provide an amenity that people need but these environments have changed the dynamics of downtown and in your last plan you struggled with these horses that were pulling at your downtown and you

made investments. You made big public investments to overcome these horses to retain those places that give your downtown a very unique character and edge to make it very competitive and make it a wonderful place. You experienced the impact of these changes with the loss of the mills and the gradual decline of downtown after that. There is today another trend that is very positive for downtown. Actually it changes the dynamics one more time. That is the satisfaction of sprawl. There is a large number of people in America who are tired of this and are being chased back to the downtown and they are seeking to live in downtown. These are empty nesters, people who have finished raising their children or people who are tired of mowing the lawn or shoveling the snow and want to walk everywhere. They want to walk to the opera or to go shopping or to restaurants and those kinds of things that you find in downtowns within close proximity of other things. This trend has helped many of our large and mid-sized cities infuse private capital into the downtown. We think that this trend has the power to do the same for Manchester. It also has the power to change the way in which we do economic development. I will echo what Angelos Angelou said which is that the time is right for you for the private sector to take the lead and the public sector investment to be designed to spur the private real estate market. Lots of people want to live in downtown and there are some recommendations that we are making in order for you to take advantage of these trends. So from this we come to the goals. The first goal, and this is the first priority we feel as architects, planners, economists, and landscape architects, we all feel that the first priority for Manchester is to focus on residential growth. We think that you can double your downtown population. You have about 10,000 people who live in that area, in that 4% of the downtown that I talked about and we think you can double that over the next 10 years. Maybe you can double it in less than 10 years. That would be great. I am not going to argue with that. It is certainly a goal. 200-400 units a year if you add them to the downtown, you will add 10,000 people. Those 10,000 people will spend money in downtown. They will go to restaurants and buy things. They will park their cars in garages and pay more for parking. This will also have the beneficial impact of diversifying your housing stock or diversifying the income groups that exist downtown. You will have a cross section of rich and poor people who will create...what you find in most downtowns is a very mutually supportive microcosm of people who live in close proximity in high density – rich and poor, young and old, people who live in 600 square foot apartments and people who live in 3,000 square foot apartments. These are all people who add value. We feel that to attract those residents in the downtown you should continually expand cultural and residential amenities and we have recommended some strategies for how you might do that by letting the private sector take the lead again and supporting the private sector's initiative in this case. I think that downtown's pull or the attraction should be increased by augmenting existing assets. Veteran's Park, Victory Park, Arms Park and the riverfront - these are all assets that are attractive for the city dweller or those people who seek urban environments. We think that those should be augmented to make downtown a much more attractive destination. We think you should create stronger regional transit links. Again, this is a theme that you have heard before. I am not going to say that without commuter rail you are not going to get there. Fortunately, we live in a

society where people are not dependent on transit. Maybe it is unfortunate but that is how it is. A stronger link to the airport, which will help you take advantage of that economic engine that you have created to add value to downtown and to preserve opportunities for commercial growth in the downtown. While you focus on residential growth we don't think you should ignore commercial opportunities. We have recommended two types of actions that the City should take. The first is what we call policy initiatives. These are overall policy decisions or policies that you would formulate to help achieve those goals and realize the vision. The first is zoning and that is self-explanatory. There are certain things that we recommended in our report that you might want to consider as you devise your zoning ordinance particularly focused on high-density housing. Second is green design and by green design we mean more emphasis on environmental conscienceness, on energy conservation, on recycling, on reducing waste and reducing our footprint on resource consumption. These are...and I say this not because this is just good policy but it is also good marketing. Angelos talked about marketing. City dwellers are also people who value these trends – environmental energy conservation and things like that. So we have made some recommendations as to how you might institute that as a policy and make Manchester be known as the green city, as the environmentally conscious city. For you to be able to go out and say we use less energy in our city because all of our buildings have silver LEEDs maybe. For those of you who know LEED is a certification system for environmentally conscious buildings and silver is very hard to get but it is possible. For these long-term improvements, these are projects where we have said there are existing projects you do. You upgrade your streets and invest in your sidewalks and invest in parks. As you do those things, make those investments strategically and we made some specific recommendations for how you can take existing projects and help gear those investments towards the downtown redevelopment or enhancement. The second set of recommendations is more site specific and these are what we call projects. They respond to the issues that we find in downtown. One thing I would like to point out is that on this map these little boxes, these are generally speaking the only residential areas in downtown in the study area. The rest of it is not residential. All of the P's are surface parking lots and all of the red lines are places where there are no opportunities for pedestrians. Those are issues that we are suggesting you address through six projects. The first set of projects is what we call the core transportation project in which we are saying that Canal Street should be turned into a boulevard for both automobiles and pedestrians to have equal importance. Right now Canal Street places greater significance on automobiles than it does pedestrians. We feel that the downtown should be better connected to the neighborhoods and it should be better connected to the water and it should facilitate true connections from the neighborhoods to the east and west of the downtown core to the river, which is one of the city's greatest amenities for residents. The commuter rail line, airport access link, bike trail system integration and a mixed use transit center. We made some specific recommendations through sketches such as this one here at a cross section of Canal Street and also through examples of how people have done it in other places. The second set of projects is what we call the Merrimack River Park System project. We see the river and all improvements that you have made along the river – the

riverwalk and the riverfront park as part of a larger system. Lowell created Heritage Park and it paid great dividends for Lowell, which is also on the Merrimack and has mills, which are being converted into condominiums now. A couple of things that we want to focus on here specifically. One is I-293, which is a barrier. It is a waterfront road and prevents people from getting to the river by bike. We think that a walkway system should be integrated with that highway so that you have a riverfront walkway system that is connected within itself and to the rest of the city. Hands Across the Merrimack is part of that connectivity. Riverfront Park at the south end. A portion of the Jac Pac site, which is on the river, that fronts the river, we think should be devoted to public open space and I will get to the rest of it in my next few slides. We also recommend river-oriented signage, landscaping and programming along the Merrimack. The arts, culture and education projects...we focused on your critical parks like Veteran's Park, Victory Park and Arms Park and we are suggesting that projects such as an arts center, conference meeting space expansion, or the University of NH's campus expansion should occur as part of an initiative to make these parks more active and more vibrant and more vital. Again, we have included diagrams and some before and after drawings to give you a sense of what the impact of these kinds of developments could be. In west downtown we see an opportunity north of Granite Street to create an employment corridor, a high amenity employment corridor, to take advantage of some fairly large parcels that are under institution use, open space use and some industrial use and even empty buildings that could all be part of a high amenity corridor and Main Street could be an employment address. Reinforcing the neighborhood south of Granite Street into an urban downtown neighborhood by perhaps having some landscaping along the noise walls. This is a neighborhood in Philadelphia that is right next to I-95 and it is a very desirable and high quality neighborhood and part of its success is because of the open space. We have identified some gateways that could be created along Main Street. The Gaslight District is an ongoing initiative, which we think is a wonderful initiative. We feel that in order for it to be successful in a public/private kind of way...for you to be able to attract bigger private investment it should be expanded. Maybe the Warehouse District and some parts south of Gaslight District should be incorporated within the Gaslight District. South downtown projects. This is the area south of Granite Street. Valley Street is the northern most street that is shown in this drawing here. This area is...Elm Street becomes very auto oriented and wide and as a system, Willow Street and Elm Street actually separate the neighborhoods to the east from the river. We think there is an opportunity over a period of time with private sector initiative for that connection to be reestablished a new residential neighborhood to be created. Finally, the Queen City Commercial Center project. We think that Queen City Avenue and the highway access that is available at Queen City provides an opportunity to create a high quality commercial center, employment center on parcels that are immediately adjacent. In conclusion, I would like to just mention three things that have been important for us as we made our recommendations. One is that we feel that the size and vibrancy of downtown can be and should be increased by maintaining the pedestrian scape of downtown. Even though we are making downtown a lot bigger, all of it should be pedestrian friendly because that is the essence of downtown. It should be a walkable

environment. Second is federal, state and local funding to improve the downtown infrastructure. Third is to prioritize public investment to spur the private real estate market. The role of the public sector now should be to really make downtown Manchester a better destination for private sector investment. Developers should not be afraid that if they build it will they come. That is something that you can help by investing in the downtown. With that, I will take questions.

Alderman Roy stated there was quite a bit of discussion on residential downtown and one question that I have had for many years now is how would you either change our zoning or fire codes...what would be your priority addressing gaining a residential downtown or reuse of older buildings, which we have a nice supply of.

Mr. Kumar answered it is a combination of new construction and rehabilitation. Rehabilitation of older buildings for residential use is expensive for the reasons that you mentioned – fire codes and ADA access. Those are perhaps some of the later things that will happen. What happens first is that the market is enhanced through investment in new products on sites that are currently under utilized and could use some more investment. As we looked at your zoning ordinance and again we have not looked at it extensively but we think there is some opportunity to include the urban multi-family district, R-3 district and the provisions of that district within the CBD zone, which currently only allows residential and townhouses. If we change the ordinance to allow more higher density residential developments that will help. Over time when you have a critical mass of more residential construction the time will be right.

Alderman Roy stated I was very happy when the expanded scope brought your project down to the connection of South Willow Street. What relationship do you see between the retail that is on South Willow Street and the future growth or expansion of the downtown? Do you see any roadblocks? Queen City Avenue is kind of an interesting road. What are your viewpoints on that or on gaining more retail downtown?

Mr. Kumar responded those retail uses that are there are auto oriented and not necessarily walkable. That part of the strategy is a much longer one. We have observed in many places where we have worked that the oldest strip centers when they age to a certain point they don't get reused, they get left. Sometimes it is not possible to update them due to economics. They tend to just stay. That might provide an opportunity to redevelop those sites to reestablish mixed use.

Dick Voith, Econsult Corporation, stated our view is that retail is fundamentally a following industry. It will follow where income moves so that with respect to downtown it is our expectation that retail in general downtown, in particular pedestrian oriented retail, will follow the greater residential density. There still will be a lot of oriented retailers and modern retailing style that will develop further out on Willow Street.

Alderman Roy stated your discussions on Canal Street and Bedford Street and making it...or changing it from its current use was any consideration given to the traffic pattern getting to, in my case I will be very selfish, my ward abuts the northern section of Canal Street/River Road, which has become a high traffic thoroughfare. Was any consideration given to the traffic patterns that would address or increase or decrease if some of these plans were implemented?

Mr. Kumar replied I think I am probably not going to tell you anything you don't already know when I say that you have competing interests when it comes to traffic. In the same community in the same room you will find an equal number of people who say I want faster traffic and an equal number of people who say I want slower traffic or less traffic. Canal Street is not really an exception to that. There has to be a balance. What we have tried to strike in the concept we came up with by taking it to Bedford and creating a one-way loop system is that it is possible to not downgrade the traffic bearing capacity of Canal Street and at the same time increase the pedestrian amenities.

Alderman Roy asked so no direct impact to the feeder streets going to Canal Street, just making it more pedestrian friendly with the similar amount of vehicles per day.

Mr. Kumar answered yes and you could as you move forward with that project say this is something that is a priority for us because it will help us with this, this and this parcel. You may set a goal saying we want to slow traffic and then you design it to slow traffic. You may say that you don't want to downgrade the roads. It is a question of goals and priorities.

Alderman O'Neil stated thank you for a pretty creative report. You got us thinking about the potential in the City of Manchester. With regards to your recommendations, was there ever any consideration given to prioritizing or ranking them?

Mr. Kumar replied yes. The priorities...what we have recommended in our report are projects that in the universe of projects that any downtown could do. We picked the ones that make the most sense. The priority is to expand the number of people who live downtown and the priority is to increase the private sector's participation in these development projects. You shouldn't have to spend millions of dollars to build an arena since you have done that. We are recommending that you prioritize those public investments that have the greatest opportunity to attract private investors. Our expectation is that as this report is discussed in Manchester after today there will be some response from the private sector. The stronger private sector responses will bubble to the top and then that should help you or inform your prioritization process saying what public investment does the City need to make to make those projects that bubble to the top a reality?

Mr. Voith stated part of what we focused on were investments to improve the amenities but there were also other things that the City could do to sort of make our top priorities come to life. One of those things is a combination of getting behind the shared vision presented in this plan and then to commit that vision to have supporting policies that reduce the cost and risks that the private sector will have to take to implement that vision. For example, if you are consistent with the vision you construct a streamlined and less costly permitting process and a less risky permitting process. That is one idea is a policy to push the vision that doesn't necessarily include dollars to be spent out of the taxpayer's pockets.

Lynn Wolff, Copley Wolff Design Group, stated I was going to add that I think the prioritization of projects will be a combination of being proactive and reactive and a good example might be the current proposal that is out for expansion of UNH. Now because that is on the table you want to look at it and luckily you have a plan that you can rely on and you can say well that is a priority now because that is really inevitable. That is a good thing to happen and we should deal with that. That is how private investment bubbles to the surface and you can react. The value of a plan is that then you know how to handle that. You can say okay we have a private investment interest, where should it go and what should it be.

Alderman O'Neil stated I think the point that all of you have made about private investment is the key here. We don't need to look at this that this has to be all kinds of money from the public sector. It can be things as simple as changing our policy on the process of review and approvals. Thank you for that. A couple of other questions. You mentioned earlier the amount of surface parking and I think that was a comment you made on your first trip here. It caught your attention. Any idea in your study area of the percentage of land that is surface parking, either public or private?

Mr. Kumar responded I don't have that number on the top of my head but we can get it for you.

Alderman O'Neil asked is it broken down by public versus private.

Mr. Kumar answered I am sure that data is available.

Alderman O'Neil stated finally you talked in your presentation about augmenting existing assets. Could you expand on that a little bit?

Mr. Kumar replied existing assets are things like the Riverwalk and parks like Veteran's Park. Veteran's Park has some pretty lawn and buildings on one side and on the other side is a big concrete plaza. That is what we mean by augmenting that asset. Say what can we do to make that asset, that very important asset, perform better for the citizens. How can we make it a better place?

Ms. Wolff stated thinking of expanding on and leveraging public dollars is the I-293 expansion. There is a new program that was passed last fall that has \$3.2 billion over the next four years. It is an extension of the ICTEA program and it seems to us that attaching pedestrian amenities to I-293, which could include the Hands Across the Merrimack bridge and some access to the river should be...the state and the federal funding sources should be approached to see if that is a possibility now that these new monies...we don't know if they are earmarked or not yet. In other words, that is a public investment that is already going on that hopefully you could get some pedestrian amenity money from too.

Alderman Shea stated one of the key questions that you asked is how is a downtown defined and I think that is a very significant kind of question because this evening we are here in order to develop thoughts and ideas germinated upon what you have come forth with. Both presentations have been very positive but what I see in the downtown now is a perception rather than perhaps a firm belief. I see this perception that the downtown in Manchester now seems to be permeated more with nightclubs and with other types of activities that permeate from these nightclubs yet we want people to live downtown. Now the people that want to live downtown do not necessarily want to participate in this particular type of activity that permeates the City. So how do we go about as a community to limit the amount of nightclubs and that kind of activity and bring in shops that will attract people positively. In other words, not necessarily from the point of view of 24 hours a day but if they want to live downtown and we hear complaints from people who invested a great deal of money to live in the downtown area but are finding that there is no compatibility in their lives between what is happening in the nightlife here, vis a vie what they want to have for their quality of life. So how do we try to establish this kind of a concept in our downtown?

Mr. Kumar replied that is a very good question and something that I did not address in my presentation. One of the great benefits of expanding the downtown is that you are now able to create districts within the downtown and there is an opportunity then perhaps to change your zoning ordinance and limit certain types of uses to certain parts of downtown. The fact that there are all of those nightclubs and bars today is an indication that there is a demand for these things and to outlaw them is easy. You can just change your zoning ordinance to prevent that from happening and then wait for the right kind of things. I think that there are some things, and I am not suggesting that you permit strip clubs or things like that but there are some things that may be somewhat on the edge that would appeal to some city dwellers. It may be appropriate in some parts of downtown but not in other parts. So people will sort of find their way and go to parts of downtown where they are more comfortable with their surroundings. That is one way to do it. The other way is...the other thing you could do is by adding more people it changes the market economics and the kinds of businesses you want downtown that feel that they are not feasible. That there is no market for them because if they open their stores nobody will come because there aren't that many people there. That market will change.

Alderman Lopez stated I have one question and maybe you were restricted but I noticed that Union Street was not included in your report other than the southern portion. When you first started this project we had quite a bit of conversation in relation to the Latino community and the business on Union Street. Did you even look at that?

Mr. Kumar replied Union Street is outside of the study area that was defined for us. We specifically did not look at Union Street because our goal was to identify the issues that exist within the areas that the City wanted us to look at and make recommendations for that area.

Alderman Lopez responded I understand that but in our initial conversation when you called a few of us in we brought this to your attention that Union Street and the Latino community was becoming a very important part of the community and they had a lot of businesses on that street and I know it doesn't go under your scope. I guess maybe I am asking do you think it is important when you look at the map there we talked about squaring it off on Union Street because of the southern tier that is included in your report. Would you recommend that, for example, in the CBD zone we talked about including Union Street in that zone for the façade program and to clean up the area and do all kinds of things.

Mr. Kumar replied I think we can take another look at that and discuss it with staff.

Alderman Lopez responded could you do that and discuss it with staff because I think it is very important. We have been talking about that area for the last year and a half.

Alderman Gatsas stated I noticed throughout here you have some great ideas about proposed transit centers and some other things along Chestnut Street. I look at these and ask the question because there is a lot of existing real estate that is on those sites. I am sure you know that the hot button issue in the United States today is eminent domain and I guess I ask you how do you propose doing these and staying within the confinements of eminent domain?

Mr. Kumar responded we are not suggesting that you acquire these properties using the power of eminent domain at all. This is a vision and if you accept it and endorse it, it becomes your vision for that area and it could be implemented by any means. It could be implemented by the owner of those properties who may see an opportunity in higher zoning. Currently the zoning for those sites may allow for a much lower field and if I was an owner of a property and the City said I envision eight-story buildings on your property I would start to think about whether it was in my interest to redevelop my property based on the City's vision. At that point you could provide incentives. Using this plan you could say to somebody who attempts to redevelop their property in a manner that is not consistent with the plan, this is not something we can support and, of course, you would not violate the property rights of those individuals who own it but through zoning you can regulate it.

Alderman Gatsas asked so you are not suggesting spot zoning.

Mr. Kumar answered no not at all.

Alderman Gatsas stated in the discussions obviously there was a plan that was presented some 10 odd years ago to a Board before us. Did you take a look at that plan?

Mr. Kumar replied yes.

Alderman Gatsas asked if you were to rate it...there were 20 recommendations within that plan. How many of those recommendations were followed up on and utilized in the current structure that you see in downtown Manchester.

Mr. Kumar answered the focus of our review of the previous plan was not so much to evaluate their work but to learn from what worked and what didn't work and what remained to be done. Plans such as the one we have done and such as the one that AngelouEconomics recommended are really based on market realities and present day values. Ten years ago there was a different kind of environment. Ten years ago we were not seeing residential growth in the downtown like we are seeing now. Many of the recommendations that were included in those plans I would not make today. I would have made the same recommendations back then.

Mayor Guinta stated I think the question is how many or what percentage and is it fair to say...probably Mr. MacKenzie can answer it.

Alderman Gatsas asked do you have any recommendations in your plan that were recommendations in the previous plan that weren't adhered to back then and you have carried them forward today. Like maybe the transit system.

Mr. Kumar stated I will ask Bob for help on that because he is more familiar with the old plan.

Mr. MacKenzie responded I would say that probably 80% of the recommendations in that plan were actually implemented, which for a major planning study was fairly significant. One of those projects that does come to mind that was not really implemented was improving the Canal Street corridor. This consulting group is looking at that again. Back then they said that was an important corridor to improve and to be able to cross to connect the Millyard with the downtown. That never really happened along with completing a couple of the connections from Elm Street down to the Millyard. Those were two, I think, that were not completed from that first plan.

Alderman Gatsas asked how about the transit center.

Mr. MacKenzie answered the transit center was not identified in the LDR plan in 1992-1993.

Alderman Gatsas stated I thought the federal funds for the parking garage were part of that plan.

Mr. MacKenzie responded the federal funds came out later and it was only later that the City started to look at the potential of getting commuter rail back.

Alderman Smith stated I would like to address the West Side neighborhood. What I am talking about is Granite Street south from Main Street to I-293 and Bass Island. It is a highly residential neighborhood with multi-families and mixed business use. I noticed you recommended a zoning change. I would like to know why you would recommend a zoning change and what you think we should do for investment to try and revitalize the area.

Mr. Kumar replied we haven't made specific zoning change recommendations for the West Side. We made a general zoning change recommendation for the whole district or for the entire study area. What we have recommended in that area is to reinforce that existing residential neighborhood and make it a better place. We think that some of the sidewalks and the public infrastructure there is in poor condition. Some of the sidewalks are not continuous. Street lighting and those kinds of things could be better but the noise wall itself that has just been constructed could perhaps be made more neighborhood friendly through landscaping. We have also recommended that in order for that neighborhood to become a more pedestrian oriented urban neighborhood, the portion of Main Street that immediately abuts that residential neighborhood from Granite Street south should be encouraged to be a more pedestrian oriented neighborhood street with walkable neighborhood stores like florists and hairdressers. Those we think will really help that residential neighborhood be much better.

Alderman Smith stated it says zoning changes for this area were recommended in Section 4-1 and it says it should be rezoned from general business, B-2 to neighborhood business, B-1.

Mr. Kumar responded that is only on the Main Street portion.

Alderman Smith asked so we are not talking down by Second Street.

Mr. Kumar answered no absolutely not. In fact, we will eliminate that ambiguity and I will edit the report. Only the Main Street portion.

Alderman Smith asked what do you think would be the best possible use to revitalize the area along Second Street.

Mayor Guinta stated I think you are talking about relocation. Depending on what happens on Elm Street, that could be a corridor for relocation of existing businesses on Elm or after the Jac Pac site is renovated and that would be a further...that is the area I think he is talking about.

Mr. Kumar stated I think those areas, which have good highway access we have recommended that they be employment-oriented uses as the Mayor is suggesting. They could be places where you could relocate those businesses from South Elm Street that need to have highway access. Whatever we do there it has to be done in a manner that is consistent with the residential neighborhood.

Alderman Smith asked in other words you are recommending mixed use – both businesses and neighborhoods.

Mr. Kumar answered on the edges.

Alderman DeVries stated we haven't touched on the LEED design or the green design that you had recommended. Certainly we can follow what you have identified as the possible projects that we could be looking at but I don't see any reference for any kind of incentive for developers who want to look at that area. My question is, is there any federal incentive that you are aware of or that is in the works or is this strictly going to need to be locally driven if we were looking to convince our developers to be more green?

Mr. Kumar replied our experience is that currently a LEED is more locally driven and market driven. In fact the entire LEED rating system is market based and a private sector initiative. It is really not government related. The council is a group of private people who came together to put together this material. I am not aware of any federal incentives that are available right now for green buildings but I do know that many of the government buildings are mandating it. As architects who work for federal agencies we are required to design a building to match certain criteria. They do not provide economic incentives but hopefully the might at some point

Ms. Wolff stated there are some private foundations that do provide monies for offsetting the cost of LEED certification and studies and innovation and you can find out about them through the United States Green Building Corporation (USGBC). I know the Kresky Foundation gives money for green buildings and that type of thing so I think there are specific foundations that could apply.

Mr. Kumar stated you could tie those in with required or facilitated or speeded up approvals. For example, you could say to developers that if you help the City meet its green building objectives we will commit to certain regulatory or approval...speeded up approval processes. I think that wouldn't cost you anything. You could use those kind of things for incentives.

Alderman Osborne stated getting back to retail, being realistic, how long do you think it is going to take to get retail back on Elm Street or South Elm or North Elm with the malls the way they are now. Is this a 10 or 15 year plan you have here roughly?

Mr. Kumar responded no. Downtown retail is very different from mall retail. If you look at the breakdown of...again downtown Philadelphia because that is my home and I am very familiar with it, 39% of the retail activity that occurs in downtown is restaurants and places to go out. Then another 10% or 15% is, and I can give you exact statistics on that, is food service. Small grocery stores and things like that. Apparel is 10%. Furniture and accessories is in the low single digits. I think what has happened is there are some things we buy in the big mall type places and the power centers and the Home Depots. You are not going to get those downtown but as Dick said those downtown type retail establishments are followers. As you start to fill your downtown with more people, you will find that there will be more of those kinds of restaurants and food service and miscellaneous retailers like small mom and pop stores that exist downtown.

Mr. Voith stated to follow-up when you look at urban retail compared to very high value mall retail you see smaller stores. They tend to be more idiosyncratic but they fill in first. It is only after places that are really established that you start seeing the gap returning to urban retail. They really are followers. As the number of people who actually live and work downtown both increase then you will find relatively quickly neighborhood service retail returning but it won't be the large chains and it certainly won't be big boxes and you wouldn't want them to be there.

Ms. Wolff stated more like Marblehead or Newburyport retail I think is what we are thinking about.

Alderman Osborne stated you talked about surface parking before. Do you figure the way Manchester stands right now we have enough surface parking out there? The way it is right now.

Mr. Kumar responded too much land in downtown Manchester used for parking.

Alderman Osborne asked so we have more than adequate but it is just spread out.

Mr. Kumar answered no you have used too much of your land for parking because it is all on surface and there aren't too many garages. In very healthy and dense downtown you will find that surface parking is not the highest and best use of land.

Alderman Osborne responded I understand that. I am just asking you if there is enough parking out there now.

Mr. Kumar replied the parking study analyzed that issue in great detail and they have recommended that there isn't enough parking to serve the needs today. This is my understanding of the parking study recommendations, that they have recommended there be some expansion of parking. We are suggesting that that expansion occur in mixed-use buildings. That you build garages that are attached to projects or underground or with retail on the front.

Alderman Osborne asked so we should be going up or down rather than spread out.

Mr. Kumar answered yes.

Alderman Long stated this afternoon when we went...it was an interesting revenue source you said that the average...not an average but what a downtown should bring in for revenue to a city. Was that 40%?

Mr. Kumar responded that is what we found in some downtowns was that they generate a very significant portion of the city's revenue. I don't have the statistics for many of the cities. In Arlington County I gave you the example that it generates 50%.

Alderman Long asked so there they are generating 50% of the city's revenue.

Mr. Kumar answered yes from 7% of the land.

Mr. Voith stated it also depends on what your mix of taxes are. If you have like Manchester only a property tax and you have lots and lots of residential downtown then you are certainly not going to encourage that kind of number. On the other hand in a city like Philadelphia that has a wage tax and a huge concentration of employment in the downtown as well as the commercial property then you have a really large swing towards the downtown paying a very large fraction. It depends on a bunch of factors.

Alderman Long stated my sense is before we can start anything we need to solve the parking issue. Before we start deciding what goes where...would you agree with that? That with respect to parking that would have to...

Mr. Kumar replied one thing and as Bob told you there are a number of studies that you have just completed and all of them have to work in a synchronized way and the City's Master Plan will be that opportunity to bring everything together and iron out the differences or the overlaps and create one plan. That has to occur.

Mr. Voith stated the first time we came here by car and we went to park downtown we simply couldn't find a place to park. I think we ended up getting parking tickets but then

later on that same day before the day ended we walked and we walked not far and found pretty vast areas that were open.

Alderman Long asked so it was more of not seeing a sign to park.

Mr. Voith answered we never would have found it and it is not as well located as where we got our tickets but it was a couple of blocks away. We really would like to have an environment where it is not an unpleasant thing to walk those two blocks.

Alderman Long asked in your experience with other cities the parking accommodations do you see more private controlled or public controlled parking.

Mr. Kumar answered parking management is the first order of business. You have parking more in some places, too much in some places and not enough in other places. There is no way for people to get from that one place where there is too much to the one place where there isn't enough and a way finding system or some kind of a transit loop that helps people get from one parking lot to the other destinations would be helpful. Some parking lots are marked with a "P" sign but when you park in that parking lot, City Hall isn't marked so from there I don't know how to get to City Hall. That is a public sector initiative.

Alderman Long asked Philadelphia for example. Is it private parking? Does the private sector accommodate the parking or does the public sector?

Mr. Kumar answered it is a combination now. In Philadelphia now the Philadelphia Parking Authority does own and operate some garages but the private sector is more and more able to make money. They charge \$14 to \$21 a day for parking.

Mr. Voith stated from a policy point of view in places we have worked the public sector is slowest to give up the policy control of parking because it is a policy decision that people really care about. Very frequently even with the public heavily involved in parking the management of the facilities is often contracted out to the private sector.

Mr. Kumar stated in mid size cities you will find that parking authorities do play a very big role in owning and operating common parking garages so that each and every building and each and every historic shop or each and every office building doesn't have to have its own parking. So publicly owned parking does provide an opportunity to have a reservoir of parking that can help many different businesses be vibrant.

Ms. Wolff stated I would just like to briefly address your question about pedestrian amenities and the priorities of that. We talked about parking but again it is dependent on the directions that you want to take. In some cities they actually develop an infrastructure, the pedestrian ways, the street lighting, the street trees and create a streetscape that then inspires

development to come in. In other places, through a master plan the amenities are put in by the developers themselves. So there are a lot of different ways to actually implement those amenities. I think more and more cities are actually putting in infrastructure prior to development to attract business so that you create a whole Main Street identity that is consistent.

Mayor Guinta asked, Mr. Kumar, were you able to do an analysis of how much revenue we generate in the downtown area either with property taxes or through rooms and meals. Was that asked of you?

Mr. Kumar answered no.

Mayor Guinta asked is that something that would be appropriate for us to ask you to follow-up on or is that something that we should have our Assessor's Office compile.

Mr. Voith stated that is something that is certainly doable. It is not a huge task.

Mr. Kumar stated we can ask the right questions. The data has to come from the Tax Assessor's Office. We can...I will talk to Bob MacKenzie and figure out how best to do that.

Alderman Shea asked have you done any surveys or studies similar to this of cities of comparable size.

Mr. Kumar answered we have worked in many cities of this size. We haven't formally surveyed them.

Alderman Shea stated my question is in Manchester we are very blessed to have the Manchester Development Corporation, which consists of private individuals who lend their expertise and Intown as well but I was wondering how to you contrast or compare our Planning Department and our Economic Department with other similar cities of our size that you have been involved with. Is it too large? Too small? Underfunded? Funded properly? Could you kind of give us a ballpark or an analysis of that?

Mr. Kumar responded I am afraid that is not really my area of expertise and I wouldn't be able to give you a specific answer to that question. I will say that given the results that your staff produced after the last plan I think they are doing a very good job. They took a plan that was done in 1993 and transformed the downtown from a depressed, deserted place into someplace that you can be really proud of. I specifically don't know if they are staffed at the right levels or not. I think AngelouEconomics has more recommendations. That was part of their responsibility I believe.

Alderman Gatsas asked in your expert opinion does it make sense for the City to sell parking areas to private developers for multi-use or single use. I would assume...let's just say it is for single use. Does it make sense to sell ground-parking space to single use developers?

Mr. Kumar answered generally speaking no. On a case-by-case basis you may make an exception.

Alderman Long asked what if the private use was going to add a multi-level garage.

Mr. Kumar answered that is not a single use.

Alderman Gatsas asked if they are going to use that use for their own private use.

Mr. Kumar stated I thought you meant single use.

Alderman Gatsas stated I just wanted to clarify the Alderman's question.

Mayor Guinta stated thank you very much on behalf of the Board again. It was great work and we look forward to following up with you and working with you on it. These two items will be placed on the March 21 BMA agenda for review and for potential adoption.

This being a special meeting of the Board, no further business was presented and on motion of Alderman O'Neil, duly seconded by Alderman Garrity it was voted to adjourn.

A True Record. Attest.

City Clerk